(b) and (c) Proposals for doubling the capacity of existing plants at Vijaipur, Aonla and Jagdispur to give an additional capacity of 21,78 lakh tonnes of Urea per annum have been identified for the Eighth Five Year Plan. Four new plants are currently under implementation at Shahjahanpur (U.P.), Babrala (U.P.), Gadepan (Rajasthan) and Kakinada (A.P.) with a total capacity of 26.73 lakh tonnes of Urea per annum. Another plant of 2.54 lakh tonnes capacity is contemplated in Krishna Godaveri besin.

650. [*Transferred to the 6th December, 1991*]

Retention Price-cum-Subsidy Scheme

651. MISS SAROJ KHAPARDE: Will the PRIME MINISTER be pleased to state:

(a) what is the amount of fertilizer subsidy being paid at present by Government under the Retention Price-*cum*-Subsidy Scheme; and

(b) the amount of freight subsidy being paid by Government to cover transportation charges for fertilizers from production units to rail heads and block headquarters?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) The Budget provision for subsidy payable on indigenous fertilizers by the Government under the Retention Price-*cum*-Subsidy Scheme during the current financial year 1991-92 is Rs. 2386.65 crores.

(b) The budget for the freight subsidy during the current financial year 1991-92 is Rs. 513.35 crores.

Reduction/exemption of duties on various drugs

652. DR. RATNAKAR PANDEY:
SHRI M. A. BABY:

Will the PRIME MINISTER be pleased to state:

(a) what are the names of bulk drugs and intermediates on which custom and excise duty have been reduced or exempted during the current year and what is the extent of reduction in each case;

(b) what are the names of drugs and intermediates for which requests are still pending for reduction and exemption of duties and since when each is pending and reasons therefor;

(c) what was the objective of reduction in each case and to what extent it has been achieved so far;

(d) whether price of any finished medicine has been reduced following the reduction/exemption of duties on bulk drugs, intermediates, raw materials and formulations;

(e) if so, what was the earlier price and what is the revised price after reduction or exemption of duties;

(f) what was the loss of revenue on account of above action; and

(g) what is the reduction in prices of formulations after the custom duty as Ibuprofen, cetramide was reduced and what is the earlier and reduced price of each?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) The names of bulk drugs and intermediates on which customs and excise duty have been reduced or exempted during the current year are available in different notifications issued by the Ministry of Finance in the month of July/September 1991 and which are available in Parliament Library.

(b) The proposals of custom duty reduction o fe:xemption are examined in this Department as and when received and recommendations are sent to the Department of Revenue, Ministry of Finance on Merits and case to case basis. It is an on going process;

(c) to (g) The objective of reduction, exemption in duty is to encourage the production of bulk drugs from the more basic stage and is not linked necessarily

in every case to reduction in the price of the bulk drug. The prices of scheduled drugs are fixed from time to time in accordance with the procedures and norms laid down under the provisions of DPCO, 1987. The reduced prices of bulk drugs/intermediates are taken into account in such price fixation. Regarding non-scheduled drugs the Government keeps a constant watch on the movements of their prices.

Gas based fertilizer plant in Tamil Nadu

653. SHRI S. MADHAVAN: Will the PRIME MINISTER be pleased to state:

(a) whether there is any proposal under consideration of Government to set up a gas-based fertilizer plant in Thanjavur Cavery basin in Tamil Nadu; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) M/s. Tamil Nadu Chemical Product Ltd. Madras, submitted an application on 31st January, 1991 for a licence for setting up an ammonia (300 tpd) and urea (500 tpd) plant in the District of Thanjavur, Tamil Nadu at a total estimated cost of Rs. 60 crores. The availability of natural gas for the proposed project has not been confirmed.

Private sector to run FCI and HFC

654. SHRI KAMAL MORARKA: Will the PRIME MINISTER be pleased to state:

(a) what are the accumulated losses of FCI and HFC at the end of March, 1990;

(b) what are the causes for their dismal performance;

(c) whether there is any proposal under Government's consideration to allow private sector to run these fertilizer corporations; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) The accumulated losses of FCI and HFC at the end of March, 1990 are Rs. 1,217.02 crore and Rs. 949.70 crore respectively.

(b) The main cause of the poor performance of these companies is low capacity utilization due to design deficiencies, equipment and power problems, shortage of raw materials and also industrial relations problems in the case of some units.

(c) and (d) No decision has been taken by Government to allow the private sector to run these companies.

655. *[Transferred to the 6th December, 1991].*

Subsidy to fertilizer manufacturers

656. SHRI BHUPINDER SINGH MANN: Will the PRIME MINISTER be pleased to state:

(a) the total subsidy paid to Fertilizer manufacturers in the year 1990-91, as also its break up with regard to private manufacturers, cooperatives and public undertakings;

(b) cost to be realised from farmers in the same period;

(c) stocks of fertilizers just before enhancement of realisation price from farmers with particular reference to Punjab;

(d) fetilizer consumption during the year 1990-91 in Punjab; and

(e) whether State agencies were required to part with these stocks at old rates, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) The total subsidy paid to fertilizer manufacturers in 1990-91 to